

7A Am. Jur. 2d Automobiles § 179

American Jurisprudence, Second Edition | November 2021 Update

Automobiles and Highway Traffic

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III. Licensing, Taxation, and Registration

D. Financial Responsibility or Security Requirements

2. Motor Carriers

§ 179. Persons protected, and damage or injury covered, by bond or insurance

[Topic Summary](#) | [Correlation Table](#) | [References](#)

West's Key Number Digest

West's Key Number Digest, Automobiles  88 to 95

Motor carrier indemnity insurance is for the sole benefit of those who may have a cause of action for damages for the negligence of the motor common carrier. It is analogous to the purpose of automobile liability insurance under an assigned risk plan in that it creates liability in the insurer regardless of the insured's breach of the conditions of the policy.¹ A trip that results in a collision between an automobile and a truck leased by a federally registered motor carrier expressly for purposes of engaging in interstate transportation is covered by federal motor carrier regulations, including the prescribed form endorsement contained in the motor carrier's excess liability policy, which provides coverage for final judgments recovered against the motor carrier for public liability resulting from negligent operation, maintenance, or use of the motor vehicle subject to the Motor Carrier Act's financial responsibility requirements, notwithstanding the excess liability insurer's contention that the particular trip involved solely intrastate travel and did not trigger the Act's financial requirements, inasmuch as the carrier explicitly intended to procure the services of the truck's owner and operator for interstate transport.²

Observation:

A holding company is not the "owner" of taxicabs, for purposes of a statute which permits "owners" of taxicabs to set up a sinking fund in lieu of obtaining insurance for the taxicabs where the holding company has no legal interest in the taxicabs operated by six different taxicab organizations controlled by the parent corporations.³

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Footnotes

- 1 [Ross v. Stephens, 269 Ga. 266, 496 S.E.2d 705 \(1998\).](#)
- 2 [Travelers Indem. Co. of IL v. Western Amer. Spec. Transp. Serv., Inc., 235 F. Supp. 2d 522 \(W.D. La. 2002\).](#)
- 3 [Office of People's Counsel v. Public Service Com'n of District of Columbia, 520 A.2d 677 \(D.C. 1987\).](#)

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